

CLAIMS

What is claimed and desired to be secured by Letters Patent is as follows:

1. A method for managing a retention of risk by an entity comprising the steps of:
determining an estimate for an amount of future claims that could be brought against
the entity;
calculating a cost of insurance the entity should obtain to alleviate the risk due to the
potential future claims;
determining the entity's optimum amount of retained risk; and
providing a funding mechanism to pay a portion of claims for which the entity has
retained responsibility.
2. The method for managing the retention of risk according to claim 1, wherein the
funding mechanism used to pay the claims is a dedicated line of credit.